

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Vermont Public Service Board Request for)	WC Docket No. 10-90
Clarification of Certain Universal Service Rules)	

Reply Comments

Armstrong Telephone Company – Northern Division, Armstrong Telephone Company – West Virginia, Hardy Telecommunications, Inc., and Spruce Knob Seneca Rocks Telephone, Inc. (the “West Virginia Rural Companies”), hereby file these reply comments¹ in support of the comments made by the National Exchange Carrier Association, Inc., et al. (“NECA et al.”)² in the above-captioned proceeding supporting the clarification request made by the Vermont Public Service Board in its motion.³

Each of the West Virginia Rural Companies has been designated as an Eligible Telecommunications Carrier (“ETC”) within their respective service area by the Public Service Commission of West Virginia (“WVa PSC”). Moreover, each of the West Virginia Rural Companies provides local exchange service in compliance with specific rate designs authorized by the WVa PSC. As part of these local service rate designs, the West Virginia Rural Companies provide options to their end users ranging from a flat rate local service offering to a

¹ See *Wireline Competition Bureau Seeks Comment on the Vermont Public Service Board Request for Clarification of Certain Universal Service Rules*, Public Notice, DA 12-81, released January 24, 2012.

² See Comments of the National Exchange Carrier Association, Inc.; National Telecommunications Cooperative Association; Organization for the Promotion and Advancement of Small Telecommunications Companies; Western Telecommunications Alliance, Eastern Rural Telecommunications Association; and United States Telecom Association, WC Docket No. 10-90, filed February 23, 2012 (the “NECA et al Comments”).

³ See Motion for Clarification [of the Vermont Public Service Board], WC Docket No. 10-90, *et al.*, filed December 28, 2011 (the “Vermont Board Motion”).

local measured service (“LMS”) offering that, in general, combines a flat base rate with minute of use calling based on specific geographic calling areas. Specifically, the LMS offerings provide customers with the option to have increased base rates with flat rate calling to an expanded local calling area coupled with minute of use charges outside such defined calling area or a lower base rate with all calls being subject to measured usage charges. As a result, it appears that the WVa PSC-directed rate design is akin to that outlined in the Vermont Board Motion.⁴

With this as background, the West Virginia Rural Companies respectfully submit that it would be an odd and otherwise improper public policy result indeed if the Commission’s revision to Section 54.101(a) would have the effect of both minimizing end user choice of local rate packages that included LMS and, when such election was made, penalizing the underlying ETC for offering such service under state commission-prescribed rate designs through a reduction of disbursements of federal Universal Service Fund dollars. The West Virginia Rural Companies agree with NECA et al that such a result could not possibly be the intent by the Commission when it modified the Section 54.101(a).⁵ Accordingly, the requested clarification underlying the Vermont Board Motion should be granted in order to ensure that LMS-related rate designs ordered by state commissions are included within the scope of revised Section 54.101(a).⁶

In addition, the West Virginia Rural Companies also respectfully submit that the request made by NECA et al with respect to the calculation of the “rate floor” to address the usage element additions to any base rate are reasonable, and should also be adopted by the

⁴ See Vermont Board Motion at 2.

⁵ See NECA et al Comments at 2-3.

⁶ See Vermont Board Motion at 3.


Commission. Consistent with their understanding of the NECA et al proposal,⁷ the West Virginia Rural Companies request that the Commission permit ETCs that provide LMS offerings to use, at their option, either the average local minutes of use as the additive to the underlying base rate across the subscriber base or the fixed rate option that they make available. This would obviate the need for the Commission to establish a particular number of typical local minutes that could be added to the base rate. At the same time, adoption of this proposal would provide a rational method by which to reflect a reasonable approximation of the usage that to be added to the base rate of LMS offerings.

WHEREFORE, the West Virginia Rural Companies respectfully request that the Vermont Board Motion be granted and, in taking that action, provide the relief requested herein to those ETCs with LMS service offerings.

Respectfully submitted,

Armstrong Telephone Company –
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Hardy Telecommunications, Inc.
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⁷ See NECA et al Comments at 3.

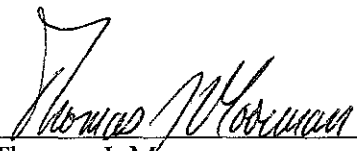
CERTIFICATE OF SERVICE

I, Thomas J. Moorman, do hereby certify that a copy of the foregoing "Reply Comments" were served via electronic mail this 9th day of March, 2012 on the following:

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